

Received of the Washington State Liquor Control Board for filing:

Rules and Regulations entitled:

TITLE	I. -- GENERAL - APPLICABLE TO ALL LICENSEES
TITLE	II. -- RETAIL BEER AND/OR WINE DISPENSARIES
TITLE	III. -- BREWERS AND BEER WHOLESALERS
TITLE	IV. -- BEER IMPORTERS AND HOLDERS OF CERTIFICATES OF APPROVAL
TITLE	V. -- DOMESTIC WINERIES
TITLE	VI. -- DOMESTIC WINE WHOLESALERS
TITLE	VII. -- FRUIT DISTILLERS
TITLE	VIII. -- RECTIFIERS
TITLE	IX. -- LIQUOR IMPORTERS, PUBLIC STORAGE WAREHOUSES AND IMPORTATION OF LIQUOR
TITLE	X. -- CLUBS
TITLE	XI. -- ADVERTISING

this 27th day of August, 1937.

Charles B. Read

Assistant SECRETARY OF STATE

DEFENDANT'S EXHIBIT
CASE NO. C04-0360P
EXHIBIT NO. 419

C E R T I F I C A T E

ERNEST N. HUTCHINSON
SECRETARY OF STATE

RECEIVED

AUG 27 1937

☐ CAS. CL. ☐ PER. CL. ☐ M.O.D. ☐ CASE

\$ _____ Per. _____

To The Honorable Ernest N. Hutchinson
Secretary of State
State of Washington
Olympia

THIS IS TO CERTIFY That the within Rules and Regulations
being entitled:

TITLE I. -- GENERAL - APPLICABLE TO ALL LICENSEES
TITLE II. -- RETAIL BEER AND/OR WINE DISPENSARIES
TITLE III. -- BREWERS AND BEER WHOLESALERS
TITLE IV. -- BEER IMPORTERS AND HOLDERS OF CERTIFICATES
OF APPROVAL
TITLE V. -- DOMESTIC WINERIES
TITLE VI. -- DOMESTIC WINE WHOLESALERS
TITLE VII. -- FRUIT DISTILLERS
TITLE VIII. -- RECTIFIERS
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AND IMPORTATION OF LIQUOR
TITLE X. -- CLUBS
TITLE XI. -- ADVERTISING

were adopted by the Washington State Liquor Control Board on the 24th
day of August, 1937, to become effective the 1st day of October, 1937.

IN WITNESS WHEREOF the Washington State Liquor Control
Board has caused its name to be hereunto subscribed and its seal
affixed, this 24th day of August, 1937.

WASHINGTON STATE LIQUOR CONTROL BOARD

Signed By L. E. Gregory
L. E. Gregory - CHAIRMAN

ATTEST:

Jay Grigsby
Jay Grigsby - Secretary

TITLE I. -- GENERAL - APPLICABLE TO ALL LICENSEES.

(1) License Does Not Grant Vested Right.

The issuance of any license by the board shall not be construed as granting a vested right in any of the privileges so conferred, and a misrepresentation of fact found to have been made by the applicant shall be deemed a lack of good faith and shall constitute good and sufficient cause for the disapproval of such application or the revocation or suspension of said license by the board.

(2) Licenses Displayed on Premises: Exception.

All licenses (except certificates of approval and agents' licenses) shall be framed under glass and prominently displayed on the licensed premises.

(3) No Prorating License Fee.

There will be no prorating of any license fee.

(4) Refund License Fees.

Upon denial of an application for license, the fee tendered therewith shall be returned. When a license is suspended or cancelled, or the licensed business is discontinued, no refund of the license fee shall be made. Upon discontinuance of business by a licensee, he shall forthwith deliver up his license to the board.

(5) Loss or Destruction of License.

Upon the loss or destruction of any license (except agents) a duplicate thereof may be issued upon making proof thereof upon forms furnished by the board. Fee for such duplicate license shall be five dollars (\$5.00).

(6) Death, etc. of Licensees.

In the event of the incapacity, death, receivership or bankruptcy of any licensee, his guardian, executor, administrator, receiver or trustee in bankruptcy, may, upon written authority from the board, continue the business of the licensee on the licensed premises for the duration of the license.

beer importers, liquor importers, holders of certificates of approval, railroads holding licenses under Section 23-L, Washington State Liquor Act, and agents.

(14) Licensed Premises Open for Inspection.

All licensed premises used in the manufacture, storage or sale of liquor, or any premises or parts of premises used or in any way connected physically or otherwise with the licensed business, shall at all times be open to inspection by any authorized inspector of the board.

(15) Taking Samples Beer or Wine.

The board or its authorized representatives may, upon giving receipt therefor, at any time, take for the purpose of analysis a sample of any beer or wine manufactured, or of any beer or wine offered for sale at the warehouse or place of business of a manufacturer, beer importer, wholesaler or retailer.

(16) No Beer, Wine Delivered Between Midnight Saturday and Midnight Sunday.

No manufacturer or wholesaler shall deliver beer or wine to any retail licensee between midnight on Saturday and midnight on Sunday; nor shall any retail licensee receive or accept delivery of any beer or wine from any manufacturer or wholesaler between midnight on Saturday and midnight on Sunday.

(17) Exclusive Contracts.

No manufacturer, wholesaler or beer importer shall enter into any contract with any retail licensee whereby such licensee agrees not to sell any beer or wine manufactured or handled by any other manufacturer, wholesaler or beer importer.

(18) No Gifts by Manufacturers, etc. to Retailers.

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" (a) No manufacturer, wholesaler, or beer importer shall, directly or indirectly, solicit, give or offer to any retail licensee or any employee

thereof any gifts, discounts, loans of money, premiums, rebates, free beer, treats, or property or services of any nature whatsoever; nor shall any retail licensee or any employee thereof, directly or indirectly, solicit or receive from any manufacturer, wholesaler or beer importer, directly or indirectly, any gifts, discounts, loans of money, premiums, rebates, free beer, treats or property or services of any nature whatsoever.

(b) No manufacturer, wholesaler, or beer importer shall, directly or indirectly, furnish, rent, lend or sell any beer or wine equipment, fixtures or supplies to any retail licensee; nor shall any retail licensee, directly or indirectly, receive, lease, borrow, or purchase any beer or wine equipment, fixtures or supplies from any manufacturer, wholesaler or beer importer.

(19) Definitions.

(a) "Pasteurized Beer" shall mean beer which has been subjected to heat in sealed containers at such a temperature and for such a period of pasteurization that in all cases all yeast cells or other micro-organisms present in the beer are killed or their vitality weakened to such an extent as to render them inactive, thereby preventing any further fermentation or decomposition of the packaged beer which might have otherwise taken place. Sterilization or partial sterilization by filtration, irradiation, chemical treatment or processes other than heat treatment are not to be construed as pasteurization.

(b) a "gallon," when used in computing any tax, shall mean the United States standard gallon of 231 cubic inches.

thereto. In tapping every keg or barrel of draught beer, the faucet or tapping device through which the beer is to be drawn shall be inserted through the beer revenue stamp in such a manner as to deface the same; or, if the beer is to be drawn through the spigot hole or bung hole in the side of the keg or barrel, a faucet shall also be inserted through the stamp affixed at the head of the keg or barrel, or the stamp shall be defaced by cutting away the part thereof only which covers the spigot hole or tapping bushing at the head of the keg or barrel.

(38) Entertainment License Must Be Prominently Displayed.

Licensees holding license from local authorities permitting music, dancing or entertainment on licensed premises, as provided by Section 27-A, Washington State Liquor Act, must keep such license prominently displayed on the licensed premises.

(39) Change of Management.

Before a change shall be made in the management of a retail licensed business, the licensee shall apply to the board for permission to make such change upon forms prescribed and furnished by the board, and no change of management shall be made until the board shall have approved such change.

(40) Records of Purchases — Preservation.

Copies of sales slips, invoices, etc., covering all purchases of beer or wine by retailers shall be kept on file in retail premises for at least two years after each purchase.

(41) Cash Purchases — Exception.

No retail licensee shall buy or accept delivery of beer or wine except for cash paid at the time of, or prior to, the delivery thereof: Provided, that credit not to exceed thirty (30) days may be received by railroads holding licenses under Section 23-L of the Washington State Liquor Act.

(41-A) Change of Business Activities Prohibited.

No business or activity shall be conducted by the licensee, nor permitted by the licensee to be conducted, upon the licensed premises other than such businesses and activities as are being conducted upon the licensed premises at the time the license is issued; nor in any event shall any business or activity be conducted upon the licensed premises either by the licensee or any other person, firm or corporation (except licensed clubs), unless such business or

TITLE III. -- BREWERS AND BEER WHOLESALEERS.

(42) Monthly Reports.

Every person, firm or corporation, holding a license to manufacture malt liquors within the state of Washington, shall, in addition to the statement required to be made by Section 23-F (1) of the Washington State Liquor Act, make monthly reports to the board of monthly sales of beer in and out of the state upon forms to be furnished by the board.

(43) Labels.

Every bottle or glass container of beer intended for sale in the state of Washington shall bear a label in compliance with Section 44 of the Washington State Liquor Act. In addition thereto, the maximum alcoholic content of such beer shall be shown thereon by weight only. Any statement of any minimum alcoholic content shall likewise be shown by weight. No label shall be used until after the same has been submitted to the Washington State Liquor Control Board, and has been approved in writing by the board or its representative.

(44) Packages -- Classification.

No manufacturer, distributor or wholesaler shall, without permission of the board, adopt or use any packages or containers for beer differing in sizes and capacities from the following classification for taxing purposes, to wit:

Barrels	Whole barrels; $\frac{1}{2}$ barrels; $\frac{1}{4}$ barrels; $\frac{1}{8}$ barrels.			
Packages	12 11-oz.;	12 12-oz.;	24 11-oz.;	24 12-oz.;
	12 22-oz.;	12 24-oz.;	6 11-oz.;	6 64-oz.;
	12 32-oz.;	12 64-oz.;	24 32-oz.	

(45) Stamps Generally.

(a) No beer wholesaler shall sell or deliver to the retail trade any beer unless the proper tax has been paid thereon as evidenced by proper "beer revenue" stamps properly affixed to the packages and cancelled;

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sales slips and keep the same on file in the office of the wholesaler for at least two years after each sale.

(49) Price Posting.

Within the meaning of this regulation, the term "zone" shall mean such "zones" as shall from time to time be fixed and adopted by the board as trade areas within which posted prices shall apply.

Every beer wholesaler shall post and keep posted with the board at its office in Olympia, Washington, a price list showing wholesale prices to retail licensees, which shall be uniform for all retail licensees in any "zone," and which price list shall set forth: (a) all the brands and types of beer offered for sale by such beer wholesaler within such "zone;" (b) the delivered sale prices thereof to retail licensees within such "zone."

No price posting shall become effective until ten days after the actual filing thereof with the board.

All price postings shall at all times be open to inspection to all trade buyers within the state of Washington, and shall not in any sense be considered confidential.

No price postings involving quantity discounts can be made, nor will they be accepted for filing by the board.

No beer wholesaler shall sell any beer to any retail licensee at a price different from his posted price thereon then in effect.

(50) Bad Order Claims.

Bad order claims shall be made, adjusted and record thereof preserved as follows:

(1) No bad order claim shall be allowed except by a brewer or beer importer;

(2) No bad order claim shall be accepted unless the same shall be made by the retailer within ten days after the defect in the beer or container has been discovered;

(3) No bad order claim shall be accepted unless the same is made by the retailer in quadruplicate upon forms furnished by the board

TITLE V. -- DOMESTIC WINERIES

(59) Eligibility.

No "domestic winery" license shall be issued to any person, firm or corporation holding a (Commercial) winery license; nor shall any "domestic winery" license be issued to any person, firm or corporation holding any retail beer and/or wine license.

(60) Sanitation.

Domestic winery premises shall be constructed, kept and maintained in a clean and sanitary condition, and in accordance with such rules and regulations as shall be prescribed by the State Department of Agriculture through the Division of Foods, Feeds, Drugs and Oils, for the sanitation thereof and applicable to the sanitation of such winery premises; and no license shall be issued to a domestic winery until the same has been approved as to sanitation by the Supervisor of Foods, Feeds, Drugs and Oils of the Department of Agriculture of the state of Washington.

(61) Premises.

No product can be sold as domestic wine under Section 24-A of the Washington State Liquor Act to licensees as therein provided unless every part and portion of the manufacture thereof was had or done on and within an approved bonded winery premises, established under Federal law and/or regulations; Provided, however, that nothing herein contained shall prevent the sale direct to retail licensees of domestic wines fortified on approved bonded winery premises in accordance with Federal and State law and/or regulations with fruit brandy or wine spirits.

(62) Formula Filed With Board.

Before any domestic winery shall begin the manufacture of domestic wine under Section 24-A of the Washington State Liquor Act, such winery shall file with the Washington State Liquor Control Board the formula to be used in the manufacture of such wine, which formula shall show the

shipped with proper "in transit" stamps only, properly affixed, as permitted in the preceding section, proper documents showing the place from which the domestic wine is shipped, the place to which the domestic wine is shipped, the purpose for which such domestic wine is shipped, and the number, kind and capacity of the packages, cases or containers so shipped, must accompany the shipment and be at all times during such shipment in possession of the person immediately in charge of transporting such shipment, and such documents shall be preserved by the carrier, whether public, private or otherwise, in his principal office within the state for a period of one year after the commencement of such shipment.

(75) Separate Records -- Preservation.

Domestic wineries must keep domestic wine accounts separate from other accounts and must keep and maintain proper records in a form approved by the board, and preserve all bills of lading or other evidence of shipment and must in case of sales to retailers preserve all sales slips and keep the same on file in the office of the domestic winery for at least two years after each sale.

(76) Monthly Report to Board.

Every domestic winery shall, within ten days after the close of each month, furnish to the board, upon forms prescribed and furnished by the board, a statement showing its past month's operations and such other information as the board shall require.

(77) Purchases Shall be Paid For in Cash -- Exception.

No domestic winery shall sell or deliver any domestic wine to retail licensees, except for cash paid at the time of, or prior to, the delivery of such domestic wine, provided that credit not to exceed thirty days may be received by railroads holding licenses under Section 23-L of the Washington State Liquor Act.

TITLE VI. -- DOMESTIC WINE WHOLESALERS.

(78) Exportation and Sale of Domestic Wine.

Domestic wine wholesalers may sell and export domestic wine from the state, and one domestic winery may purchase domestic wine from, or sell domestic wine to, another domestic wine wholesaler.

(79) Domestic Wine Records Kept Separate -- Preservation.

Domestic wine wholesalers must keep domestic wine accounts separate and independent from other accounts, and must keep and maintain proper records in a form approved by the board, showing all transactions in domestic wine, and must, in the case of domestic wine exported or domestic wine sold, transferred or shipped to another domestic wine wholesaler, preserve all bills of lading or other evidence of shipment for at least two years.

(80) Cash Sales: Exception.

No domestic wine wholesaler shall sell or deliver any domestic wine to retail licensees, except for cash paid at the time of, or prior to, the delivery of such domestic wine, provided that credit not to exceed thirty days may be allowed to railroads holding licenses under Section 23-L, Washington State Liquor Act.

(81) Wine Received Shall Bear Proper Stamps.

No domestic wine wholesaler shall receive from a domestic winery any domestic wine regardless of the package or container containing said domestic wine, unless such domestic wine shall have the proper stamps properly affixed thereon.

(82) Exporting of Wine -- Proper Stamps.

Domestic wine purchased by domestic wine wholesalers for export may be received from the domestic winery, stored and exported by the domestic wine wholesaler with proper wine "in transit" stamps only properly affixed